

Message Text

UNCLASSIFIED

PAGE 01 USUN N 00199 01 OF 03 210138Z

66

ACTION IO-11

INFO OCT-01 AF-06 ARA-10 EA-09 EUR-12 NEA-10 ISO-00 AID-05

OMB-01 TRSE-00 ABF-01 H-02 L-03 SS-15 SP-02 DIWY-01

/089 W

----- 063866

R 210033Z JAN 76

FM USMISSION USUN NY

TO SECSTATE WASHDC 5437

INFO USMISSION GENEVA

AMEMBASSY ROME

USMISSION OECD PARIS

UNCLAS SECTION 1 OF 3 USUN 199

E.O. 11652: N/A

TAGS: UNDP, EAID

SUBJ: UNDP GOVERNING COUNCIL: US STATEMENT ON FINANCIAL
SITUATION

QUOTED BELOW IS TEXT OF SPEECH AS PREPARED FOR
DELIVERY BY AMB MYERSON ON JANUARY 20 IN THE
UNDP GOVERNING COUNCIL.

QUOTE:

US STATEMENT AS PREPARED FOR DELIVERY BY AMBASSADOR
MYERSON BEFORE THE UNDP GOVERNING COUNCIL, JANUARY 20,
1976

MR. CHAIRMAN, MY DELEGATION HAS ALREADY
WELCOMED MR. BRADFORD MORSE TO HIS IMPORTANT NEW FUNC-
TIONS AS ADMINISTRATOR OF THE UNITED NATIONS DEVELOPMENT
PROGRAMME. ON THE PRESENT OCCASION, I WISH ONLY TO RE-
ITERATE THE CONFIDENCE OF MY DELEGATION AND OF MY GOV-
ERNMENT THAT HE WILL BE ABLE TO DEAL FORTHRIGHTLY AND
EFFECTIVELY WITH THE CHALLENGES FACING THIS INSTITUTION.
MR. MORSE, HIS COLLEAGUES IN UNDP, AND THE GOVERNING
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 USUN N 00199 01 OF 03 210138Z

COUNCIL CAN COUNT ON OUR SINCERE COOPERATION IN THIS

REGARD.

IN CONSIDERING THE MATTERS BEFORE US, MY DELEGATION BELIEVES IT IMPORTANT THAT THE GOVERNING COUNCIL BEAR IN MIND TWO INESCAPABLE FACTORS. FIRST, THE SIGNIFICANT ROLE PLAYED BY THE UNDP IN THE TOTAL INTERNATIONAL DEVELOPMENT EFFORT AND, SECOND, THE FACT THAT THERE ARE COMPETING CLAIMS FOR FINANCIAL AND HUMAN RESOURCES IN THE CONTEXT OF DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION.

THE GOVERNING COUNCIL HAS AN IMPRESSIVE HISTORY AS A BODY DEDICATED TO PRACTICAL SOLUTIONS. DECISION-MAKING BY CONSENSUS HAS WORKED IN THE COUNCIL. IT HAS WORKED BECAUSE IT HAS TAKEN INTO CONSIDERATION THE CONCERNS OF ALL SMALL AND LARGE, DONOR AND RECIPIENT. WE ARE CONVINCED THAT THE COUNCIL CAN AND WILL CONTINUE TO WORK IN THIS PRACTICAL AND CONSTRUCTIVE MANNER AND THUS, BE ENABLED TO CONTRIBUTE TO SOLVING THE PROBLEMS THAT MUST BE SOLVED IF THE UNDP IS TO GO FORWARD EFFECTIVELY AND DYNAMICALLY INTO THE SECOND CYCLE.

IT SEEMS TO US IMPORTANT THAT AT THE PRESENT MEETING WE CLARIFY THE FACTORS WHICH HAVE RESULTED IN THE PRESENT DIFFICULT PROBLEMS FACING THE PROGRAMME. NOTHING WILL BE GAINED, HOWEVER, IF WE SIMPLY TRY TO ASSIGN THE BLAME TO ONE OR TWO PROBLEMS TAKEN IN ISOLATION, OR TO PERSONALITIES, OR TO GOVERNMENTS. THE EVIDENCE WHICH IS AVAILABLE FROM PREVIOUS MEETINGS OF THE COUNCIL, FROM DOCUMENTS PREPARED FOR THE PRESENT MEETING, AND FROM THE DISCUSSION THUS FAR IN THE BUDGETARY AND FINANCE COMMITTEE, SUGGEST THAT A NUMBER OF FACTORS HAVE COMBINED TO CREATE THE PRESENT SITUATION.

EACH GOVERNMENT HERE REPRESENTED SHOULD EXAMINE ITS RECORD IN THE LIGHT OF ALL THE EVIDENCE. I SUSPECT THAT AN OBJECTIVE EXAMINATION WILL SHOW THAT MOST OF OUR GOVERNMENTS CAN, WITH SUFFICIENT EFFORT, CONTRIBUTE TO SOLVING UNDP'S PROBLEMS AND PUT ITS FUTURE OPERATIONS ON A FIRMER FOOTING.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 USUN N 00199 01 OF 03 210138Z

IN THE VIEW OF THE UNITED STATES, THE MOST FUNDAMENTAL REQUIREMENT FOR THE UNDP -- AND IT IS A PRESSING ONE -- IS THAT THE PROGRAMME BE PUT ON A SOUND FINANCIAL BASIS AS SOON AS POSSIBLE. IN OUR VIEW AN IMPROVED STRUCTURE MUST BE DEVELOPED WHICH WILL ASSURE THE PROGRAMME'S FUTURE MANAGEMENT AND FINANCIAL SOUNDNESS. OTHERWISE, THE HOPES PLACED IN IT BY THE COUNTRIES MOST IN NEED OF ITS HELP WILL BE

UNFILLED WITH CONSEQUENT BITTERNESS AND DISAPPOINTMENT.

MR. CHAIRMAN, WE BELIEVE IT ESSENTIAL IN THIS REGARD THAT THE REMAINING PROGRAMS FOR THE FIRST CYCLE BE CONCLUDED ON AS EQUITABLE AND EFFICIENT A BASIS AS POSSIBLE. WE HAVE TAKEN NOTE OF THE PROGRAM READJUSTMENTS ALREADY CARRIED OUT BY THE ADMINISTRATION. MY DELEGATION BELIEVES THAT PARTICULAR CARE SHOULD BE TAKEN IN ANY SUCH READJUSTMENTS TO PROTECT THE PROGRAMS OF THE LEAST DEVELOPED COUNTRIES AND OTHER LOW INCOME COUNTRIES WITH A LARGE PROPORTION OF INDICATIVE PLANNING FIGURES (IPF'S) AS YET UNUTILIZED. WE WOULD NATURALLY BE OPPOSED TO ANY REDUCTION OF IPF'S FOR THE CURRENT CYCLE.

FOR THE LONGER TERM, HOWEVER, WE SEE NO ALTERNATIVE TO THE PRINCIPLE THAT THE PROGRAMME MUST LIVE WITHIN ITS MEANS. WE MUST STRIVE TO INCREASE THESE MEANS, EVEN THOUGH THEY WILL NEVER BE AS LARGE AS WE WOULD LIKE THEM TO BE. TO THIS END, SIGNIFICANT IMPROVEMENTS MUST BE MADE IN FORECASTING EXPENSES, IN EXPEDITING THE FLOW OF INFORMATION REGARDING OBLIGATIONS INCURRED, AND IN MONITORING THE CHANGING RELATIONSHIP BETWEEN ANTICIPATED RESOURCES AND OPERATIONAL PLANS SO THAT NECESSARY POLICY AND EXECUTIVE DECISIONS CAN BE MADE ON A TIMELY BASIS.

THE CURRENT CONDITION OF UNDP'S FINANCES PROVES THAT MODERN RESOURCE MANAGEMENT TECHNIQUES ARE IMPERATIVE. THE FLOW OF INFORMATION BETWEEN UNDP, THE EXECUTING AGENCIES, AND THE GOVERNING COUNCIL MUST BE GREATLY ENHANCED. IT IS PARTICULARLY IMPORTANT TO INSURE THAT THE NECESSITY FOR PROGRAM MODIFICATION, IF ANY, IS RECOGNIZED AT A SUFFICIENTLY EARLY STAGE TO AVOID THE NEED FOR MAJOR CUTBACKS AT LATER STAGES. OTHERWISE, DEVELOPMENT PROGRAMS OF RECIPIENT COUN-

UNCLASSIFIED

PAGE 04 USUN N 00199 01 OF 03 210138Z

TRIES MAY BE DISRUPTED UNNECESSARILY. WE BELIEVE IT IS ENTIRELY POSSIBLE TO AVOID SUCH OBVIOUSLY WASTEFUL AND UNDESIRABLE DEVELOPMENTS IF ADEQUATE ATTENTION IS GIVEN TO THE BALANCE BETWEEN PLANNED PROGRAMS AND RESOURCE AVAILABILITIES ON A CONTINUING BASIS.

MR. CHAIRMAN, MY DELEGATION CONSIDERS THAT SUBSTANTIAL IMPROVEMENT IS ALSO ESSENTIAL AND POSSIBLE WITH REGARD TO THE MOBILIZATION OF RESOURCES. LET ME MENTION A NUMBER OF SPECIFIC ASPECTS OF THIS PROBLEM.

FIRST, THE QUESTION OF INCREASES IN VOLUNTARY CONTRIBUTIONS IS A MATTER OF MUCH INTEREST. WE AGREE ABOUT THE IMPORTANCE OF THIS ASPECT OF THE PROBLEM. ALL GOVERNMENTS IN A POSITION TO DO SO SHOULD TRY TO INCREASE THEIR CONTRIBU-

TIONS. THE UNITED STATES IS SEEKING CONGRESSIONAL APPROVAL FOR A SIGNIFICANT INCREASE IN ITS 1976 CONTRIBUTION. HOWEVER, THE ABILITY OF THE MAJOR TRADITIONAL DONORS TO DO MORE WILL DEPEND ON A GREAT MANY FACTORS IN ADDITION TO SUCH CONSIDERATION AS PER CAPITA GROSS NATIONAL PRODUCT. ONE OF THE FACTORS WILL SURELY BE THE EXTENT TO WHICH CONTRIBUTIONS ARE FORTHCOMING FROM GOVERNMENTS WHICH, ALTHOUGH IN A POSITION TO DO SO, HAVE NOT YET MADE SIGNIFICANT CONTRIBUTIONS TO THE UNDP. WE ARE PARTICULARLY CONCERNED ABOUT THOSE COUNTRIES WHICH HAVE RELIED ON THE UNDP IN THE PAST AND ARE NOW IN A POSITION BOTH TO MEET THEIR DEVELOPMENT REQUIREMENTS THROUGH INTERNALLY GENERATED RESOURCES AND TO HELP OTHER DEVELOPING COUNTRIES AS WELL. IF THE UNDP IS NOT TO BE A CHOSEN DEVELOPMENT INSTRUMENT OF THESE COUNTRIES, WHO KNOW THE PROGRAMME SO WELL, A FUNDAMENTAL QUESTION ARISES AS TO ITS BASIC UTILITY. IN THIS CONNECTION, WE ARE DISAPPOINTED THAT IN THE ADMINISTRATOR'S PROJECTION OF FUTURE RESOURCES NO PROVISION APPEARS TO HAVE BEEN MADE FOR CERTAIN RECIPIENTS TO REDUCE THEIR FUTURE CLAIMS ON UNDP RESOURCES.

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 USUN N 00199 02 OF 03 210151Z

66

ACTION IO-11

INFO OCT-01 AF-06 ARA-10 EA-09 EUR-12 NEA-10 ISO-00 AID-05

OMB-01 TRSE-00 ABF-01 H-02 L-03 SS-15 SP-02 DIWY-01

/089 W

----- 064105

R 210033Z JAN 76
FM USMISSION USUN NY
TO SECSTATE WASHDC 5438
INFO USMISSION GENEVA
AMEMBASSY ROME
USMISSION OECD PARIS

UNCLAS SECTION 2 OF 3 USUN 0199

THE UNITED STATES COULD NOT AGREE TO ANY PROCEDURE WHICH WOULD INVOLVE AN ALLOCATION AMONG DONOR COUNTRIES OF RESPONSIBILITY FOR PROVIDING RESOURCES TO UNDP.

IPF'S CANNOT BE THE BASIS FOR DETERMINING THE RESOURCES WHICH DONOR GOVERNMENTS WILL PROVIDE DURING A GIVEN YEAR. IN A VOLUNTARY PROGRAM THE PROCEDURE MUST BE THE OTHER WAY AROUND. IT IS INCUMBENT UPON THE GOVERNING COUNCIL TO DETERMINE IPF'S ON THE BASIS OF REALISTIC ESTIMATES OF WHAT GOVERNMENTS CAN BE EXPECTED TO CONTRIBUTE, AND FOR UNDP PROGRAMS TO BE TAILORED TO MATCH THESE RESOURCES. THE ADMINISTRATOR HAS SPOKEN OF THE DESIRABILITY FOR GREATER EFFORTS ON THE PART OF ALL MEMBERS TO MAKE PAYMENTS AS EARLY AS PRACTICABLE EACH YEAR ON THE PLEDGES WHICH THEY HAVE MADE. WE AGREE WITH THE ADMINISTRATOR ON THE IMPORTANCE OF THIS POINT, AND I AM GLAD TO CONFIRM ON THIS OCCASION THAT MY GOVERNMENT HAS THIS MONTH ALREADY TURNED OVER TO THE UNDP 38 MILLION DOLLARS TO BE COUNTED AGAINST ITS TOTAL PLEDGE FOR 1976. MR CHAIRMAN, ONE OF THE MOST DISTURBING ELEMENTS WHICH STANDS OUT IN REVIEWING THE FACTORS CONTRIBUTING TO THE CURRENT FINANCIAL SITUATION OF THE PROGRAM IS THAT OF SUBSTANTIAL AND PERSISTENT ARREARAGES ON THE PART OF MANY MEMBERS. MY DELEGATION CONSIDERS THAT IT IS TIME UNCLASSIFIED

UNCLASSIFIED

PAGE 02 USUN N 00199 02 OF 03 210151Z

FOR THE GOVERNING COUNCIL TO TAKE THIS PROBLEM MORE SERIOUSLY. WE BELIEVE IT IS ESSENTIAL THAT AN INTENSIVE PROGRAM BE CONDUCTED WITHIN THE NEXT FEW MONTHS TO COLLECT AMOUNTS DUE FROM GOVERNMENTS ON CONTRIBUTIONS, ASSESSED PROGRAM COSTS, CASH COUNTERPART AND COST SHARING OBLIGATIONS. WE CONSIDER IT INCOMPATIBLE WITH THE COOPERATIVE NATURE OF THE PROGRAM FOR COUNTRIES TO CONTINUE TO RECEIVE PROGRAM ASSISTANCE WHILE THEY ARE IN ARREARS ON THEIR OBLIGATIONS. ONE POSSIBLE REMEDY FOR THIS SITUATION WOULD BE TO SIGN NO NEW PROJECTS WITH COUNTRIES WHICH ARE DELINQUENT. ANOTHER POSSIBILITY WOULD BE TO OFFSET THE OUTSTANDING AMOUNTS AGAINST IPF'S. WE NOTE THAT A SUGGESTION TO THIS EFFECT HAS BEEN MADE BY THE ADMINISTRATOR WITH REGARD TO ASSESSED PROGRAM COSTS. WE WOULD LIKE THE ADMINISTRATOR TO EXAMINE THIS WHOLE AREA OF ARREARAGES AND SUBMIT HIS SUBSEQUENT RECOMMENDATIONS ON IT TO THE 22ND GOVERNING COUNCIL. THE ADMINISTRATOR HAS POINTED TO A REAL PROBLEM WITH REGARD TO THE RECONVERSION OF LOCAL CURRENCIES. AS DESCRIBED IN DOCUMENT DP/155, THE PROBLEM ARISES ENTIRELY FROM THE FAILURE OF SOME COUNTRIES TO PAY THEIR ASSESSED PROGRAM COST OBLIGATIONS. IT IS NOT PROPER THAT SOME RECIPIENT COUNTRIES SHOULD EARN HARD CURRENCIES THROUGH PROCEDURES WHICH HAVE ONLY BEEN UTILIZED BECAUSE OF THEIR FAILURE TO MEET THEIR OBLIGATIONS. MY DELEGATION THEREFORE STRONGLY SUPPORTS THE ADMINISTRATOR'S PROPOSAL IN PARA 30 (F) OF DP/155

THAT FULL RECONVERSION PRIVILEGES BE REQUIRED FOR ALL AMOUNTS OF NATIONAL CURRENCIES PURCHASED FOR PROGRAM PURPOSES.

I TURN NOW TO THE PROBLEM OF "DIFFICULT" CURRENCIES. THE ACCUMULATION OF "DIFFICULT" NON-CONVERTIBLE CURRENCIES HAS PLAYED AN IMPORTANT ROLE IN THE CREATION OF THE CURRENT UNFAVORABLE FINANCIAL SITUATION. ONE WAY OF REDUCING SUCH ACCUMULATIONS WOULD BE FOR MEMBERS OF THE GOVERNING COUNCIL TO AGREE THAT WHEN A MEMBER OF THE GOVERNING COUNCIL TO AGREE THAT WHEN A MEMBER COUNTRY OR A FIRM WITHIN A MEMBER COUNTRY CONTRACTS TO PROVIDE GOODS AND SERVICES TO THE UNDP, IT WOULD BE OBLIGATED TO ACCEPT PAYMENT IN THE CURRENCY IN WHICH THE UNCLASSIFIED

UNCLASSIFIED

PAGE 03 USUN N 00199 02 OF 03 210151Z

MEMBER'S CONTRIBUTION IS MADE, UP TO THE LEVEL OF THAT CONTRIBUTION. SUCH A MEASURE WOULD ELIMINATE THE CURRENT HIGHLY UNDESIRABLE PRACTICE WHEREBY DONORS OF "DIFFICULT" NON-CONVERTIBLE CURRENCIES DEMAND AND RECEIVE PAYMENTS IN HARD CURRENCY FOR SERVICES AND EQUIPMENT WHICH HAVE BEEN PROVIDED BY THEM. WE BELIEVE THAT THE GOVERNING COUNCIL SHOULD ALSO INSTRUCT THE ADMINISTRATOR NOT TO FOLLOW THE POLICY ADOPTED BY THE ADMINISTRATIVE COMMITTEE ON COORDINATION (ACC) WITH REGARD TO THE CURRENCY USED IN MAKING PAYMENTS TO EXPERTS ENGAGED ON PROJECTS.

WITH REGARD TO THE STANDARD COST OF EXPERTS, MY DELEGATION BELIEVES THAT A NEW APPROACH SHOULD BE TAKEN FOR PLANNING PURPOSES. WE WOULD HOPE THAT A SYSTEM WOULD BE DEVELOPED WHICH WOULD USE REALISTIC PROJECTIONS OF EXPENDITURES AND WOULD DO AWAY WITH THE NEED FOR A VARIANCE ACCOUNT BY INSURING THAT EVERY PROJECT WAS EVENTUALLY CHARGED WITH ITS ACTUAL COST. WE WOULD NOT EXPECT IMMEDIATE ACTION TO BE TAKEN ON THIS PROPOSAL DURING THE 21ST GOVERNING COUNCIL, HOWEVER, AND FOR THE PRESENT MY DELEGATION WOULD WANT TO SUPPORT THE ADMINISTRATOR IN DEALING WITH THIS PROBLEM. WE WOULD ACCORDINGLY SUPPORT HIS PRESENT REQUEST TO INCREASE THE STANDARD COST OF EXPERTS FROM \$42,000 TO \$48,000 PER ANNUM EFFECTIVE JANUARY 1, 1976.

THE ISSUE OF BORROWING AUTHORITY IS A VERY IMPORTANT ONE WHICH THE ADMINISTRATOR HAS RAISED WITH THE GOVERNING COUNCIL. IN PRINCIPLE THE UNITED STATES IS OPPOSED TO GRANTING THE ADMINISTRATOR AUTHORITY TO BORROW MONEY FOR THE OPERATION OF THE PROGRAM. IT IS HIS RESPONSIBILITY TO SEE THAT THE PROGRAM IS CARRIED OUT WITHIN THE LIMITS OF ITS RESOURCES. THE CONFIDENCE OF BOTH CONTRIBUTING AND RECIPIENT GOVERNMENTS WILL BE UNDERMINED IF HE FAILS TO DO SO. THERE IS, HOWEVER, A SPECIAL COMBINATION OF CIRCUMSTANCES WHICH CONFRONTS THE ADMINISTRATOR AT THE

PRESENT TIME. WITH CONSIDERABLE RELUCTANCE MY DELEGATION AGREES THAT THE GRANT OF LIMITED BORROWING AUTHORITY IS JUSTIFIED UNDER THESE CIRCUMSTANCES. WE ARE PREPARED TO AGREE TO THE GRANT OF AUTHORITY TO THE ADMINISTRATOR TO BORROW FROM FUNDS PRESENTLY UNDER HIS JURISDICTION SUCH AS THE UN FUND FOR POPULATION ACTIVITIES (UNFPA), THE UN UNCLASSIFIED

UNCLASSIFIED

PAGE 04 USUN N 00199 02 OF 03 210151Z

CAPITAL DEVELOPMENT FUND AND THE UN REVOLVING FUND FOR NATURAL EXPLORATION--BUT ONLY TO TIDE THE PROGRAM OVER DURING A TEMPORARY LIQUIDITY SHORTAGE. WE ARE STRONGLY OF THE VIEW THAT BORROWING SHOULD NOT BE USED AS A MEANS OF CLOSING A GAP BETWEEN ONE LEVEL OF PLANNED EXPENDITURES AND A LOWER LEVEL OF ACTUAL CONTRIBUTIONS.

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 USUN N 00199 03 OF 03 210154Z

66

ACTION IO-11

INFO OCT-01 AF-06 ARA-10 EA-09 EUR-12 NEA-10 ISO-00 AID-05

OMB-01 TRSE-00 ABF-01 H-02 L-03 SS-15 SP-02 DIWY-01

/089 W

----- 064218

R 210033Z JAN 76
FM USMISSION USUN NY
TO SECSTATE WASHDC 5439
INFO USMISSION GENEVA
AMEMBASSY ROME
USMISSION OECD PARIS

UNCLAS SECTION 3 OF 3 USUN 0199

THE ADMINISTRATOR HAS RECOMMENDED THAT THE OPERATIONAL RESERVE BE PROGRESSIVELY INCREASED TO INSURE THAT THE UNDP DOES NOT AGAIN ENCOUNTER THE SAME TYPE OF DIFFICULTIES WHICH HAS ARISEN IN 1975. WE AGREE THAT IT IS PRUDENT TO

EFFECT SOME INCREASE IN THE OPERATIONAL RESERVE
AS THE OVERALL PROGRAM INCREASES AND MY DELEGATION
WOULD BE ABLE AT THE APPROPRIATE TIME TO SUPPORT AN
INCREASE IN THE PRESENT LEVEL.

IN VIEW OF THE CURRENT FINANCIAL STATE OF THE UNDP,
MY DELEGATION CAN ONLY BE CONCERNED AT THE LEVEL OF
ADVANCES OUTSTANDING WITH AGENCIES (ABOUT \$25 MILLION)
AND FIELD OFFICES IN THE FORM OF IMPREST FUNDS (\$16 MILLION
WORLDWIDE). WE HOPE THAT THE ADMINISTRATOR WILL
TAKE ACTION TO INSURE THAT THE TRANSFER OF FUNDS BETWEEN
AGENCIES IS CARRIED OUT IN AN EFFICIENT MANNER, AND THAT
IT DOES NOT RESULT IN EXCESSIVE BALANCES BEING BUILT UP BY
EXECUTING AGENCIES. IN THIS CONNECTION, WE RECALL THAT
A GROUP OF EXPERTS RECENTLY STUDIED UNDP MONEY MANAGEMENT
AND MADE SOME 63 RECOMMENDATIONS FOR IMPROVEMENT. THE
EXPERTS' REPORT WAS FIRST CONSIDERED BY THE GOVERNING
COUNCIL THIS PAST JUNE. IN LIGHT OF THE CURRENT FINANCIAL
SITUATION WE BELIEVE IT WOULD BE PARTICULARLY USEFUL IF
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 USUN N 00199 03 OF 03 210154Z

THE ADMINISTRATOR WOULD REPORT ON THE EXTENT TO WHICH
THE RECOMMENDATIONS MADE BY THE EXPERTS ON THE CONTROL
AND ADMINISTRATION OF UNDP FUNDS HAVE BEEN CARRIED OUT,
AND TO WHAT EXTENT THIS HAS IMPROVED THE FLOW OF FUNDS
BEING CHanneled BY UNDP.

MORE THAN A WORD NEEDS TO BE SAID ABOUT THE
INCREASING LEVEL OF ADMINISTRATIVE COSTS IN THE UNDP.
WE ARE SURPRISED AND CONCERNED THAT MORE THAN TWO DOLLARS OUT
OF EVERY TEN SPENT BY THE UNDP GOES TO HEADQUARTERS
ADMINISTRATION, PROGRAM SUPPORT, OVERHEAD AND THE LIKE.
IT APPEARS THAT THE ADMINISTRATIVE STRUCTURE IS BECOMING
AN END IN ITSELF AND IS DIVERTING FUNDS FROM DEVELOPMENT.
WE THEREFORE JOIN WITH OTHERS WHO HAVE CALLED FOR DRASTIC
STEPS TO BE TAKEN, WITHOUT DELAY, TO REDUCE THE BURDEN
OF ADMINISTRATIVE COSTS. IN GENERAL THE UNDP OPERATION
MUST BE STRENGTHENED AND AT THE SAME TIME MADE MORE
SIMPLE. IN OUR VIEW, A TAUT, SLIMMER AND MORE RESILIENT
ORGANIZATION WOULD BE MORE EFFECTIVE IN DELIVERING THE
PROGRAM ENVISAGED FOR THE SECOND CYCLE AND WOULD RESULT
IN MORE FUNDS REACHING THOSE IN NEED.

ANOTHER SIGNIFICANT FACTOR, AND ONE TO WHICH MY
GOVERNMENT ATTACHES GREAT IMPORTANCE, IS THE INTEGRATION
OF WOMEN IN THE TOTAL DEVELOPMENT EFFORT. WE COMMEND THE
DECISION OF THE 19TH GOVERNING COUNCIL IN THIS REGARD,
AND URGE CONTINUING AND CONCERTED ATTENTION TO THE IMPLE-
MENTATION OF THAT DECISION. IT IS IMPORTANT TO INCREASE
THE NUMBER OF WOMEN WORKING IN UNDP OFFICES IN THE FIELD

AND IN HEADQUARTERS; INCLUDING POLICY MAKING AREAS, AND
TO PAY DUE ATTENTION TO THE IMPACT OF UNDP PROGRAMS IN
ALL SECTORS ON WOMEN BOTH AS PARTICIPANTS AND BENEFICIARIES.
WE LOOK FORWARD TO PERIODIC REPORTS BY THE ADMINISTRATOR
ON PROGRESS IN THIS REGARD.

MR. CHAIRMAN, I HAVE SPOKEN FRANKLY REGARDING THE
PROBLEMS BEFORE US AND I HOPE THAT MY REMARKS WILL BE
TAKEN IN THE SPIRIT IN WHICH THEY WERE INTENDED -- NOT
AS COMPLAINTS OR CRITICISM BUT AS CONSTRUCTIVE COMMENTS AND
SUGGESTIONS FOR THE PRESENT AND THE FUTURE. JUST AS THERE
ARE MANY CAUSES WHICH HAVE CONTRIBUTED TO THE LIQUIDITY PROBLEM
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 USUN N 00199 03 OF 03 210154Z

OF THE UNDP, SO WILL A PROGRAM WITH MANY FACETS BE NECESSARY
TO IMPROVE THE UNDP'S POTENTIAL TO COPE WITH ITS FUTURE
TASKS. OVER THE PAST THREE YEARS SIX COUNCILS HAVE
STEADFASTLY SHAPED THE CRITERIA TO INSURE THAT THOSE
COUNTRIES MOST IN NEED WILL RECEIVE THE OVERWHELMING SHARE
OF UNDP RESOURCES. IN VIEW OF THE UNDP'S SERIOUS FINANCIAL
PROBLEMS AT PRESENT THE GOVERNING COUNCIL AND THE
ADMINISTRATOR NOW HAVE A PARTICULARLY HEAVY, RESPONSIBILITY
TO TAKE SUCH DECISIONS AND ACTIONS AS WILL INSURE
THAT THE WORLD'S NEEDIEST PEOPLE RECEIVE TIMELY
TECHNICAL ASSISTANCE OF THE HIGHEST QUALITY IN THE
FUTURE. THIS IS A CHALLENGE WHICH MUST BE MET WITH
RESOLUTION AND DECISIVENESS ON THE PART OF THE GOVERNING
COUNCIL AND THE NEW ADMINISTRATOR.
UNQUOTE.
MOYNIHAN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCE, TEXT, INTERNATIONAL ORGANIZATIONS, SPEECHES
Control Number: n/a
Copy: SINGLE
Draft Date: 21 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976USUNN00199
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760021-1022
From: USUN NEW YORK
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760134/aaaabebg.tel
Line Count: 473
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION IO
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 9
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: RowellE0
Review Comment: n/a
Review Content Flags:
Review Date: 21 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 JUN 2004 by schwenja>; APPROVED <12 JAN 2005 by RowellE0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: UNDP GOVERNING COUNCIL: US STATEMENT ON FINANCIAL SITUATION
TAGS: EAID, US, UNDP, (MYERSON)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006